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FM PARIS
TO THE WHITE HOUSE
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S E C R E T 181743Z APR 71
FM AMBASSADOR WATSON PARIS 260
TO THE WHITE HOUSE, FOR DR. KISSINGER

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MANY THANKS FOR YOUR CABLE. WILL TRY SEE POMPIDOU SOONEST. DURING MY MARCH 11 CALL ONE OF POMPIDOU'S MAIN POINTS WAS THAT WE ARE BEING NAIVE TO THINK WE CAN DO BUSINESS OVER LONG RUN WITH ALGERIA. IF THEY CAN NATIONALIZE FRENCH COMPANIES WHAT IS TO PREVENT THEM FROM DOING US DIRT IN FUTURE? MY MAIN PERSONAL CONCERN IS THAT FOR FIRST TIME IN OUR HISTORY WE ARE PLANNING TO BUY PETROLEUM PRODUCTS FROM AN EXPROPRIATED SOURCE. I WONDER WHAT EFFECT THIS WILL HAVE ON OUR PETROLEUM INTERESTS IN GULF STATES, IRAN, ETC., ETC. IF THE ALGERIANS CAN NATIONALIZE FRENCH OIL COMPANIES IN ALGERIA AND THEN TURN AROUND AND SELL OUTPUT TO U.S. PRIVATE COMPANIES WHY CAN'T THE SAUDI ARABS DO THE SAME TO ARAMCO IN SAUDI ARABIA. MY PERSONAL FEAR IS THAT A U.S. DEAL WITH ALGERIANS CAN CAUSE A WAVE OF EXPROPRIATIONS-WORLD-WIDE. ALSO, ON A PERSONAL NOTE, HOW CAN WE DO BUSINESS WITH THIEVES?

APART FROM ABOVE I STILL HAVE VERY GRAVE CONCERN THAT PRECIPITOUS ACTIONS RE AN EX-IM FINANCED DEAL WITH ALGERIANS FOR NATURAL GAS PURCHASES BY PRIVATE U.S. COMPANY CAN SERIOUSLY AFFECT FRANCO-AMERICAN RELATIONS.

WILL LET YOU KNOW RESULTS OF POMPIDOU CALL IMMEDIATELY.
MANY THANKS YOUR MESSAGE.

BEST REGARDS,
WATSON

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20N-FILE NSC RELEASE
INSTRUCTIONS APPLY

State Dept. review
completed

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